SECTION 3
INSTRUCTION AIDS

Learning is the best of all wealth;
it is easy to carry, thieves cannot steal it, and tyrants cannot seize it;
neither fire nor water can destroy it;
and far from decreasing, it increases by giving.
--Naladiyar

The primary purpose of this section is to provide, for each chapter, the list of learning objectives, assorted lecture tips and aids, suggested active learning activities, answers to the discussion questions at the end of each chapter, web sites that might be used to supplement class discussion, and a list of appropriate cases for that chapter. How these suggestions are used will depend on your individual teaching style. As you will see from the active learning activities presented later in this section, we are strong advocates for developing a learner-centered course. Thus, we introduce this idea before presenting instructional aids for each chapter.

DEVELOPING A LEARNER-CENTERED COURSE

As the business sector places greater emphasis on such skills as oral and written communication, critical thinking/problem solving skills, and teamwork, university classes will need to become increasingly "learner centered" and collaborative in order to prepare students to function effectively in the contemporary business environment.

This will require additional emphasis on both delivery (i.e., pedagogy) and on the role of the teacher as an active partner in the students' learning experiences. As Boehm (1992) states, "We are beginning to understand that *how* we teach is central; it is, in fact, the second content of every course" (p. 37). Learning is a fundamentally social process that occurs when individuals work together to create shared understanding and knowledge. According to Johnson, Johnson, and Smith (1991, p. 1-11), "Learning proceeds more fruitfully when relationships are personal as well as professional. Long-term, persistent efforts to achieve come from the heart, not the head, and the heart is reached through relationships with peers and faculty." Thus we as faculty must be able to create an environment where positive relationships can be formed and the classroom can become a learning community. This charge may sound overwhelming to those who haven't yet tried a more collaborative approach to education. But it can result in some wonderful classroom experiences as teachers and students experience the excitement of acting as partners in the learning process. A widely publicized study offers seven principles for good practice in higher education (Chickering and Gamson 1987). The following guidelines can help you create a truly learner-centered experience for your students:

1. Encourage student-faculty contact.
2. Encourage cooperation among students.
3. Encourage active learning.
4. Give prompt feedback.
5. Emphasize active learning.
6. Communicate high expectations.
7. Respect diverse talents and ways of learning.

Using Active Learning in Your Class

There are many excellent ideas for active learning activities in the discussion questions and exercises at the end of each chapter in the text. This resource manual also provides additional activities that can serve as a foundation for your active learning experiences. As you design and deliver your course, be both creative and courageous in including active learning exercises. You'll be pleasantly surprised at how fun *and* effective they are!

Basic Active Learning Structures

The following collaborative activities are designed for use with small groups (2-5 students). Most can be adapted easily to meet your specific classroom needs. The descriptions were taken from *The Handbook for the Fourth R 111: Relationship Activities for Cooperative and Collegial Learning* by Richard and Elaine Solomon. More detailed descriptions of these exercises can be found in the materials listed later in this section under "Additional Instructional Resources—Teaching and Learning." Two especially helpful resources are *Active Learning: Cooperation in the College Classroom* by Johnson, Johnson, and Smith (1991) and *Cooperative Learning* by Spencer Kagan (1992).

Three Step Interview: Each member of the group chooses or is assigned another group member to be a learning partner. For example, students 1 and 2 are a pair and students 3 and 4 are a pair. During the first step, 1 interviews 2 while 3 interviews 4. (Interviewing involves asking clarifying questions, not sharing one's own information or opinions.) During step two, the members reverse roles so that 2 interviews 1 while 4 interviews 3. In the third step, each member shares his/her learning partner's responses with the group.

Think-Share-Pair: This is a three-step activity. During step one, each person individually and privately thinks about a question posed by the instructor. In step two, two people are paired to exchange and discuss their responses. Step three involves having each person share his/her response, his/her partner's response, a synthesis or something new with another pair or the entire class.

Numbered Heads Together: Students in each group choose or are given a number (e.g., 1, 2, 3 or 4). After the instructor poses several questions and says "Numbered Heads Together," the group members get together and make sure that each member can answer all of the questions. Each group then divides the answers among its members according to numbers. After a predetermined time period, the instructor restates the first question and announces a number (1, 2, 3 or 4). Students with the designated number in each of the groups give their answers to the question. A second number is then called, and the procedure continues until all of the questions are answered.

Roundtable Brainstorming: Each group is given one sheet of paper on which members write different responses to a question posed by the teacher. Each member is asked to record one response to the teacher's question on the sheet of paper and then pass it on to another member. The paper is passed around the group several times so that group members can read others' responses and add new comments. A variation on the brainstorming exercise is to pass around several different sheets of paper simultaneously with different questions for group members to respond to.

Simple Jigsaw: The instructor divides an assignment into as many parts as there are group members. Each member is responsible for learning and teaching his/her part of the assignment to his/her teammates. Pre- and post-exercise quizzes can be given to test students' mastery of the material.

Expert Jigsaw: This is a more complex exercise that includes the following steps. First, a task or a set of materials is divided into several parts or topics. Next each group member is assigned one of the topics to become an "expert" on. Members then meet with the corresponding "experts" from other groups to

discuss their topics, analyze and synthesize available data, and plan a strategy for presenting their information to their teammates. Finally, members return to their original groups to teach the other members what they have learned.

Group Consensus: Each group member shares information and listens carefully to what other members share. After all members talk, the group has a discussion to determine what members believe in common and where there are areas of disagreement.

Group Discussion with Talking Chips: Each group member is given a "talking chip" (e.g., a pen or pencil, a square of colored paper, a crayon, etc.). The rule for sharing information in the group discussion is that a member may speak only after placing his/her talking chip in the center of a designated table or desk. Members may not share additional information until the chips of all other members have been turned in. Then all members retrieve their chips. Any member may then speak again after relinquishing his/her chip.

Three Minute Review: At any point during a lecture, the instructor gives each group three minutes to review what has been shared, ask each other clarifying questions, and share answers. At the end of the three minutes, members may ask the class and/or instructor for answers to question that have not been sufficiently answered in the group.

Group Question and Answer: This activity is useful for reviewing class material. A student can pose a question to the class or the instructor only when the members of his/her group don't know the answer or can't agree on an answer. A variation on this activity is to require students to ask another group for an answer (if their group does not have one) before asking the class or the teacher.

Send a Problem: The instructor, a student, or a group asks questions, creates case studies/scenarios or poses problems which are sent to various groups for discussion. Each group reads, analyzes and discusses what it has been sent and then writes a response which is either submitted to the teacher or shared with the class.

Word-Webbing: Each group is given a set of related concepts. The group must then create a visual "picture" which depicts and describes the relationships between its assigned concepts.

Team-Webbing: Each group is assigned one fact or concept which is written on a large sheet of paper. Using a pen, pencil or magic marker, each group member simultaneously records a related fact or concept or writes a question on the paper. Each group thus develops a team web of questions and answers that can serve as a foundation for a whole class discussion.

Suggestions for Getting Started

Here are a few basic suggestions to help you integrate collaborative learning into your course successfully and without stress:

- Start with one of the simpler collaborative learning structures. Repeat this same format using different course material several times so that both you and your students can get comfortable with it. (Remember that you are asking students to switch from their more traditional, passive "listening" roles to active involvement in the learning process. It may take them some time to adapt to this change too). Make sure you provide very clear, step-by-step directions and check to see that students understand both the structure and the purpose of the activity.

- You can then choose a second type of activity to introduce to your class. Continue adding active learning exercises gradually throughout the duration of the course. You will probably become

quite comfortable with the process by the end of one semester, and you may find yourself spontaneously "mixing and matching" active learning activities to fit your materials or learning objectives.

- Look for opportunities within your regular course structure to use in-class groups. Often, time that you would have spent entirely on lecturing can be used for a combination mini-lecture and group activity or active learning exercise.

- Don't feel that you need to establish tight control in your class for weeks before starting active learning activities. It will probably work better to start these exercises early in the course so that a class culture of collaboration and active involvement can be established right from the start.

- Remember that active learning is a "messier" process than lecturing. You will have inherently less "control" over the process because you are asking students to get involved in the creation of knowledge rather than just delivering a prepackaged lecture. Try to relax, be flexible and have fun. You'll be excited by the enthusiasm and learning outcomes as your students get more actively involved in creating their own educational experiences.

ADDITIONAL INSTRUCTIONAL RESOURCES

Teaching and Learning

Alverno College Faculty (1994). *Student Assessment-As-Learning at Alverno College.* Milwaukee, WI: Alverno College Institute.

Argyris, C. (1980). "Some Limitations of the Case Method: Experiences in a Management Development Program." *Academy of Management Review*. 5, (2): 291-298.

Astin, A. W. (1993). *What Matters In College: Four Critical Years Revisited.* San Francisco: Jossey-Bass.

Barr, Robert B. and John Tagg (1995). "From Teaching to Learning: A New Paradigm for Undergraduate Education." *Change*. November-December: 13-25.

Boehm, L. (1992). "In Wake of Crisis: Reclaiming the Heart of Teaching of Teaching and Learning." In *Critical Thinking, Interactive Learning and Technology: Reaching for Excellence in Business Education*, edited by T.J. Frecka. Arthur Andersen Foundation, 24-40.

Cross, K. Patricia (1991). "Effective College Teaching." *ASEE PRISM*. October: 27-28.

DeZure, Deborah (1993). "Opening the Classroom Door." *Academe*. September-October: 27-28.

Goodsell, Anne, Michelle Maher and Vincent Tito (1992). *Collaborative Learning: A Sourcebook for Higher Education*. University Park, PA: National Center on Post-Secondary Teaching, Learning and Assessment.

Johnson, David W., Johnson, Roger T. and Karl A. Smith (1991). *Active Learning: Cooperation in the College Classroom.* Edina, MN: Interaction Book Company.

Kadel, Stephanie and Julia A. Keehner (1994). *Collaborative Learning: A Sourcebook for Higher Education, Volume II*. University Park, PA: National Center on Post-Secondary Teaching, Learning and Assessment.

Kagan, Spencer (1992.) *Cooperative Learning*. San Juan Capistrano, CA: Cooperative Learning.

Nicastro, Mary L. and David C. Jones (1994). *Cooperative Learning Guide for Marketing Teaching Tips for Marketing Instructors.* Englewood Cliffs, NJ: Prentice-Hall.

Palmer, Parker J. (1995). "Good Talk About Good Teaching." *The Institute for Teaching and Learning*. 1, (1): 5-11.

Shapiro, B. P. (1984). *Hints for Case Teaching*. Boston, MA: Harvard Business School Publications, 585-012.

Shulman, Lee S. (1993). "Teaching as Community Property." *Change*. November-December: 6-7.

Solomon, Richard and Elaine (1992). *The Handbook for the Fourth R III: Relationship Activities for Cooperative and Collegial Learning*. Columbia, MD: National Institute for Relationship Training.

Teams and Teamwork

Byrne, John A. (1993), "The Horizontal Corporation," *Business Week*, December 20: 76-81.

Huey, John (1994). "The New Post-Heroic Leadership." *Fortune*, February 21: 42-50.

Johnson, David W., Johnson, Roger T. and Karl A. Smith (1991). *Active Learning: Cooperation in the College Classroom.* Edina, MN: Interaction Book Company.

Katzenbach, Jon R. and Douglas K. Smith (1993). *The Wisdom of Teams*. Boston, MA: Harvard Business School Press.

Magnet, Myron (1994). "The New Golden Rule of Business." *Fortune,* February 21: 60-64.

Parker, Glenn M. (1990). *Team Players and Teamwork*. San Francisco, CA: Jossey-Bass.

Shrage, Michael (1990). *Shared Minds: The New Technologies of Collaboration.* New York, NY: Random House.

RECOMMENDED SERVICES BOOKS

General Books on Services and Related Topics

Alexander, James A. and Mark W. Hordes (2003), _S-Business: Reinventing the Services Organization_, New York: SelectBooks, Inc.

Barlow, Janelle and Paul Stewart (2004), _Branded Customer Service_, San Francisco: Barrett-Koehler Publishers_._

Bates, Sandra M. (2011), _The Social Innovation Imperative: Create Winning Products, Services, and Programs that Solve Society's Most Pressing Challenges_, New York: McGraw Hill.

Berry, Leonard L. (1999), _Discovering the Soul of Service_, New York: The Free Press.

Berry, Leonard L. (1995), _On Great Service: A Framework for Action_, New York: The Free Press.

Bettencourt, Lance A. (2010), _Service Innovation: How To Go From Customer Needs to Breakthrough Services_, New York: McGraw Hill.

Blau, Melinda and Karen L. Fingerman (2009), _Consequential Strangers: Turning Everyday Encounters Into Life-Changing Moments_, New York: Norton.

Bliss, Jeanne 2006), _Chief Customer Officer: Getting Past Lip Service to Passionate Action_, San Francisco: Jossey-Bass.

Bossidy, Larry and Ram Charan (2002), _The Discipline of Getting Things Done,_ New York: Crown Business.

Carbone, Lewis P. (2004), _Clued In: How to Keep Customers Coming Back Again and Again_, Upper Saddle River, NJ: FT Prentice Hall.

Day, George S. and Christine Moorman (2010), _Strategy from the Outside In: Profiting From Customer Value_, New York: McGraw Hill.

Dow, Roger and Susan Cook (1997), _Turned On: Eight Vital Insights to Energize your People, Customers and Profits_, New York: Harper Business.

Frei, Frances and Anne Morriss (2012), _Uncommon Service_, Boston: Harvard Business Review Press.

Friedman, Thomas L. (2005), _The World is Flat_, New York: Farrar, Straus, and Giroux.

Fromm, Bill and Len Schlesinger (1993), _The Real Heroes of Business_, New York: Bantam Doubleday Dell Publishing Group, Inc.

George, Michael L. (2003), _Lean Six Sigma for Service_, New York: McGraw-Hill.

Gupta, Sunil and Donald R. Lehmann (2005), _Managing Customers as Investments_, Upper Saddle River, NJ: Wharton School Publishing.

Heskett, James, W. Earl Sasser, Jr. and Leonard A. Schlesinger (1997), _The Service Profit Chain_, NY: Free Press.

Heskett, James, W. Earl Sasser, Jr., and Leonard A. Schlesinger (2003), *The Value-Profit Chain: Treat Employees Like Customers and Customers Like Employees*, New York: The Free Press.

Heskett, James L., W. Earl Sasser, and Joe Wheeler (2008), *The Ownership Quotient: Putting the Service Profit Chain to Work*, Boston: Harvard Business School Publishing.

Kaplan, Robert S. and David P. Norton (1996), *The Balanced Scorecard*, Boston: Harvard Business School Press.

Kowalkowski, Christian and Wolfgang Ulaga (2017), *Service Strategy in Action:A Practical Guide for Growing Your B2B Service and Solution Business*, Service Strategy Press.

Lusch, Robert F. and Stephen L. Vargo (eds) (2006), *The Service-Dominant Logic of Marketing: Dialog, Debate, and Directions*, New York: M.E. Sharpe, Inc.

Moulton-Reger, Sara (2006), *Can Two Rights Make a Wrong?*, IBM Press, Pearson Education.

Peppers, Don and Martha Rogers (1997), *Enterprise One to One: Tools for Competing in the Interactive Age*, New York: Bantam Doubleday Dell Publishing Group, Inc.

Pfeffer, Jeffrey (1998), *The Human Equation*, Boston: The Harvard Business School Press.

Pine, G. Joseph II and James H. Gilmore (1999), *The Experience Economy*.

Rayport, Jeffrey F. and Bernard J. Jaworski (forthcoming), *Best Face Forward*, Boston: Harvard Business School Press.

Reichheld, Frederick F. (1996), *The Loyalty Effect*, Boston, MA: Harvard Business School Press.

Reichheld, Frederick F. (2001), *Loyalty Rules*, Boston, MA: Harvard Business School Press.

Reichheld, Frederick F. (2011), *The Ultimate Question 2.0,* Boston, MA: Harvard Business School Press.

Rust, Roland T., Valarie A. Zeithaml, and Katherine N. Lemon (2000), *Driving Customer Equity, How Customer Lifetime Value is Reshaping Corporate Strategy*, New York: Free Press.

Rust, Roland, Katherine N. Lemon and Das Narayandas (2005), *Customer Equity Management*, Upper Saddle River, NJ: Pearson Prentice Hall.

Schneider, Benjamin and David E. Bowen (1995), *Winning the Service Game*, Boston, MA: Harvard Business School Press.

Schmidt, Bernd H. (1999), *Experiential Marketing*, New York: The Free Press.

Schmidt, Bernd H. (2003), *Customer Experience Management*, Hoboken, NJ: John Wiley and Sons.

Stauss, Bernd and Wolfgang Seidel (2004), *Complaint Management*, American Marketing Association, Thomson Publishers.

Stickdorn, Marc and Jakob Schneider (2010), *This Is Service Design Thinking: Basic Tools Cases*, Amsterdam: BIS Publishers.

Triplett, Jack E. and Barry P. Bosworth (2004), _Productivity in the U.S. Services Sector_, Washington, D.C.: Brookings Institution Press.

Vashistha, Atul and Avihash Vashistha (2006), _The Offshore Nation_, New York: McGraw-Hill.

Yellin, Emily, _Your Call Is (not that) Important to Us_, 2009, New York: Free Press.

Zeithaml, Valarie A., A. Parasuraman, and Leonard L. Berry (1990), _Delivering Quality Service: Balancing Customer Perceptions and Expectations_, New York: The Free Press.

Zeithaml, Valarie A., Mary Jo Bitner and Dwayne Gremler (2009), _Services Marketing: Integrating Customer Focus Across the Firm_, 5th edition, New York: McGraw-Hill.

Zeithaml, Valarie A., Stephen W. Brown, Mary Jo Bitner, and Jim Salas (2014), _Profiting From Services and Solutions: What Product-Centric Firms Need to Know_, Business Expert Press.

Books about Great Service Companies

Berry, Leonard L. and Kent D. Seltman (2008), _Management Lessons from the Mayo Clinic_, McGraw-Hill.

Gittell, Jody Hoffer (2003), _The Southwest Airlines WAY_, New York: The McGraw-Hill Companies, Inc.

Heracleous, Loizos, Jochen Wirtz and Nitin Panqarkar (2009), _Flying High in a Competitive Industry: Secrets of the World's Leading Airline_, revised edition, Singapore: McGraw-Hill (Asia).

Pottruck, Davis S and Terry Pearce (2000), _Clicks and Mortar: Passion Driven Growth in an Internet-Driven World (Charles Schwab)_, San Francisco: Jossey-Bass.

Schultz, Howard (1999), _Pour Your Heart Into It: How Starbucks Built a Company One Cup At a Time_, New York: Hyperion.

Schultz, Howard and Joanne Gordon (2011), _Onward: How Starbucks Fought for Its Life without Losing Its Soul_, New York: Rodale.

Zackheim, Adrian (1997), _The Spirit to Serve Marriott's Way_, New York: HarperCollins.

Zane, Chris (2011), _Reinventing the Wheel: The Science of Creating Lifetime Customers_, Dallas: BenBella.

SUPPLEMENTAL READINGS FOR SERVICES MARKETING COURSES[1]

SERVICES STRATEGY

Alexander, James A. and Mark W. Hordes (2003), *S-Business: Reinventing the Services Organization*, New York: SelectBooks, Inc.

Brown, Stephen W., Anders Gustafsson and Lars Witell (2009), "Beyond Products", *Wall Street Journal*, June 22, 2009.

Brown, Stephen W., Anders Gustafsson and Lars Witell (2010), "Service Logic: Transforming Product-Focused Businesses," CSL whitepaper will be handed out in class; in addition see CSL Web page on Service Infusion: http://wpcarey.asu.edu/csl/knowledge/Service-Infusion.cfm

Fang, Eric, Robert W. Palmatier and Jan-Benedit E. M. Steenkamp (2008), "Effect of Service Transition Strategies on Firm Value," *Journal of Marketing*, September 2008, 1-14.

Francis X. Frei (2008), "The Four Things a Service Business Must Get Right", *Harvard Business Review*, April 2008, 70-81.

Neu, Wayne A. and Stephen W. Brown (2005), "Forming Successful Business-to-Business Services in Goods-Dominant Firms", *Journal of Service Research,* August 2005.

Porter, Michael E. and Mark R. Kramer (2011), "Creating Shared Value," *Harvard Business Review*, January-February, 63-77.

Reinhartz, Werner and Wolfgang Ulaga (2008), "How to Sell Services More Profitably", *Harvard Business Review,* 86 (5).

Sawhney, Mohanbir, Sridhar Balasubramanian and Vish V. Krishnan (2004), "Creating Growth With Services", *Sloan Management Review,* Winter 2004, 34-43.

Tuli, Kapil R., Ajay K. Kohli and Sundar G. Bharadwaj (2007), "Rethinking Customer Solutions: From Product Bundles to Relational Processes", *Journal of Marketing*, July 2007, 1-17.

Ulaga, Wolfgang and Werner J. Reinartz (2011), "Hybrid Offerings: How Manufacturing Firms Combine Goods and Services Successfully, *Journal of Marketing,* November, 5-23.

Vargo, Stephen L. and Robert F. Lusch (2004), "Evolving to a New Dominant Logic for Marketing," *Journal of Marketing,* January 2004, 1-27 (includes invited commentaries). See also a follow-up book: Lusch, Robert F. and Stephen L. Vargo (2006), *The Service-Dominant Logic of Marketing: Dialog, Debate, and Directions,* New York: M.E. Sharpe. Also see Service Dominant Logic website: www.sdlogic.net

FOCUS ON THE CUSTOMER

Anderson, Eugene W. and Vikas Mittal (2010), "Strengthening the Satisfaction-Profit Chain," *Journal of Service Research,* November 2000, 107-120.

---

[1] This list was compiled by Mary Jo Bitner for use with her MBA "Services Marketing and Management" course at Arizona State University.

Dixon, Matthew, Karen Freeman and Nicolas Toman (2010), "Stop Trying to Delight Your Customers," *Harvard Business Review*, July-August, pp. 116-122.

Reichheld, Frederick (2001) "Lead for Loyalty," *Harvard Business Review,* July-August 2001, 76-84.

Rust, Roland T., Katherine N. Lemon, and Valarie A. Zeithaml (2004), "Return on Marketing: Using Customer Equity to Focus Marketing Strategy," *Journal of Marketing,* January 2004, 109-127.

Rust, Roland T., Valarie A. Zeithaml, and Katherine N. Lemon (2004), "Customer-Centered Brand Management," *Harvard Business Review,* September 2004.

Tax, Stephen S., Stephen W. Brown and Murali Chandrashekaran (1998), "Customer Evaluations of Service Complaint Experiences: Implications for Relationship Marketing," *Journal of Marketing*, April 1998, 60-76.

Stephen S. Tax and Stephen W. Brown (1998), "Recovering and Learning from Service Failures," *Sloan Management Review,* Fall 1998, 75-88.

PROFITABILITY SEGMENTATION AND LIFETIME VALUE OF CUSTOMERS

Anderson, James C. and James A. Narus (2003), "Selectively Pursuing More of Your Customer's Business," *Sloan Management Review,* Spring 2003, 43-49.

Gupta, Sunil and Donald R. Lehman (2005), <u>*Managing Customers as Investments,*</u> Upper Saddle River, NJ: Wharton School Publishing.

Gupta, Sunil and Valarie Zeithaml (2006), "Customer Metrics and Their Impact on Financial Performance," *Marketing Science,* November-December 2006, 718-739.

Hogan, John E., Katherine N. Lemon, Barak Labai (2003), "What is the True Value of a Lost Customer," *Journal of Service Research,* Vol. 5, No.3, February 2003, pp. 196-208.

Loveman, Gary (2003), "Diamonds in the Data Mine," *Harvard Business Review,* May 2003, 109-113.

Reichheld, Frederick R. (2003), "The One Number You Need to Grow," *Harvard Business Review,* December 2003, 47-54.

Reinartz, Werner J. and V. Kumar (2000), "On the Profitability of Long-Life Customers in a Noncontractual Setting: An Empirical Investigation and Implications for Marketing," *Journal of Marketing,* October 2000, 17-35.

Rosenblum, David, Doug Tomlinson and Larry Scott (2003), "Bottom-Feeding for Blockbuster Business," *Harvard Business Review,* March 2003, 52-59.

Rust, Roland T., Katherine N. Lemon and Das Narayandas (2005), <u>*Customer Equity Management*</u>, Upper Saddle River, NJ: Pearson Prentice Hall.

Rust, Roland T., Christine Moorman, and Gaurav Bhalla (2010), "Rethinking Marketing," *Harvard Business Review*, January-February.

Zeithaml, Valarie A., Roland T. Rust, and Katherine N. Lemon (2001), "The Customer Pyramid: Creating and Serving Profitable Customers," *California Management Review*, Vol. 43, No. 4, Summer 2001, 118-142.

ALIGNING STRATEGY AND SERVICE DESIGN

Berry, Leonard L. and Neeli Bendapudi (2003), "Clueing in Customers," *Harvard Business Review,* February 2003, 100-107.

Bitner, Mary Jo, Amy L. Ostrom and Felicia N. Morgan (2008), "Service Blueprinting: A Practical Technique for Service Innovation," *California Management Review,* Spring 2008.

Bruggen, Elizabeth C., Bram Foubert and Dwayne D. Gremler (2011), "Extreme Makeover: Short and Long-Term Effects of a Remodeled Servicescape," *Journal of Marketing,* September, 71-87.

Carbone, Lewis P. (2004), *Clued In: How to Keep Customers Coming Back Again and Again*, Upper Saddle River, NJ: FT Prentice Hall.

Carbone, Lewis P. and Stephan H. Haeckel (1994), "Engineering Customer Experiences," *Marketing Management*, Winter 1994.

George, Michael L. (2003), *Lean Six Sigma for Service*, New York: McGraw-Hill.

Pine, B. Joseph, II and James H. Gilmore (1999), *The Experience Economy*, Boston: Harvard Business School Press.

Prahalad, C. K. and Venkatram Ramaswamy (2003), "The New Frontier of Experience Innovation," *Sloan Management Review*, Summer 2003, 12-18.

Schmidt, Bernd H. (1999), *Experiential Marketing*, New York: The Free Press.

Schmidt, Bernd H. (2003), *Customer Experience Management*, Hoboken, NJ: John Wiley and Sons.

Stickdorn, M. and J. Schneider (2010), *This is Service Design Thinking,* Amsterdam.

Stuart, F. Ian (2006), "Designing and Executing Memorable Service Experiences: Lights, Camera, Experiment, Integrate, Action!" *Business Horizons*, 49, 149-159.

DELIVERING AND PERFORMING SERVICE

Bendapudi, Neeli and Venkat Bendapudi (2005), "Creating the Living Brand," *Harvard Business Review,* May 2005, 124-132.

Bowen, David E. and Edward E. Lawler III (1995), "Empowering Service Workers," *Sloan Management Review*, Summer 1995, 73-85.

Heskett, James, et al. (1994), "Putting the Service-Profit Chain to Work," *Harvard Business Review*, March-April 1994, 164-174.

Heskett, James, W. Earl Sasser, Jr., and Leonard A. Schlesinger (2003), *The Value-Profit Chain: Treat Employees Like Customers and Customers Like Employees*, New York: The Free Press.

Mitchell, Colin (2002), "Selling the Brand Inside," *Harvard Business Review,* January 2002, 99-105.

Prahalad, C.K. and Venkatram Ramaswamy (2000), "Co-Opting Customer Competence," *Harvard Business Review,* January-February 2000, 79-87.
Singh, Jagdip (2000), "Performance Productivity and Quality of Frontline Employees in Service Organizations", *Journal of Marketing*, Vol. 64, No. 2 (April, 2000), pp. 15-34

Smith, Jeff and Kristiane Blomqvist (2005), "Strange Bedfellows: Could HR be Marketing's New Best Friend?" *Marketing Management,* February 2005.

Tax, Stephen S., Mark Colgate and David E. Bowen (2006), "How to Prevent Customers From Failing", *Sloan Management Review,* Spring 2006, 30-38.

"The 100 Best Companies to Work For," *Fortune Magazine.*
    *This is an annual cover story in *Fortune,* published and online in January or February every year. There are typically several accompanying articles in the issue that are highly relevant as well.

SERVICE AND TECHNOLOGY (ASU Research Only)

Bitner, Mary Jo, Stephen W. Brown and Matt Meuter (2000), "Technology Infusion in Service Encounters," *Journal of the Academy of Marketing Science*, Vol. 28, No 1, 138-49.

Bitner, Mary Jo, Amy L. Ostrom and Matthew L. Meuter (2002), "Implementing Successful Self-Service Technologies," *Academy of Management Executive,* November 2002, 96-109.

Cadwallader, Susan, Cheryl Burke Jarvis, Amy L. Ostrom and Mary Jo Bitner, "Frontline Employee Motivation to Participate in Service Innovation Implementation," *Journal of the Academy of Marketing Science*, Vol. 38, No. 2, 251-, 2010.

Meuter, Matthew L., Amy Ostrom, Robert Roundtree and Mary Jo Bitner (2000), "Self-Service Technologies: Understanding Customer Satisfaction with Technology-Based Services," *Journal of Marketing*, July 2000, 50-64.

Meuter, Matthew L., Mary Jo Bitner, Amy L. Ostrom, and Stephen W. Brown (2005), "Choosing Among Alternative Service Delivery Modes: An Investigation of Customer Trial of Self-Service Technologies," *Journal of Marketing,* April 2005.

Wunderlich, Nancy, Florian von Wangenheim and Mary Jo Bitner, "High Tech and High Tough: A Framework for Understanding Customer Attitudes and Usage Behaviors Related to Interactive Remote Services," *Journal of Service Research,* forthcoming.

MANAGING SERVICE PROMISES

Barlow, Janelle and Paul Stewart (2004), <u>*Branded Customer Service*</u>, San Francisco: Berret-Koehler.

Berry, Leonard L. and Manjit S. Yadav (1996), "Capture and Communicate Value in the Pricing of Services," *Sloan Management Review*, Vol. 37, No. 4, 41-51.

Berry, Leonard L. and Kent D. Seltman (2007), "Building a Strong Services Brand: Lessons from Mayo Clinic," *Business* Horizons, 50, 199-209.

Dye, Renee (2000), "The Buzz on Buzz," *Harvard Business Review,* Nov-Dec 2000, 139-154.

Hart, Christopher (1988), "The Power of Unconditional Service Guarantees," *Harvard Business Review*, July-August 1988, 54-62.

Hoffman, L. and Thomas P. Novak (2000), "How to Acquire Customers on the Web," Donna *Harvard Business Review,* May-June 2000, 179-188.

SERVICE SCIENCE

Bitner, Mary Jo and Stephen W. Brown (2006), "The Evolution and Discovery of Services Science in Business Schools," *Communications of the ACM Journal,* July 2006, 73-78.

Bitner, Mary Jo and Stephen W. Brown (2008), "The Service Imperative," *Business Horizons*, 50th Anniversary Issue, January-February 2008, pp. 39-46.

Center for Services Leadership Business Report (2010), *Research Priorities for the Science of Service*, http://wpcarey.asu.edu/csl/knowledge/Research-Priorities.cfm

IfM and IBM (2008), *Succeeding Through Service Innovation: A Service Perspective for Education, Research, Business, and Government*, Cambridge, UK: University of Cambridge Institute for Manufacturing.

Ostrom, Amy L., Mary Jo Bitner, Stephen W. Brown, Kevin A. Burkhard, Michael Goul, Vicki Smith-Daniels, Haluk Demirkan, and Elliot Rabinovich (2010), "Moving Forward and Making a Difference," *Journal of Service Research,* February 2010, 4-36.

Spohrer, Jim, Paul P. Maglio, John Bailey, and Daniel Gruhl (2007), Cover Feature Story, "Steps Toward a Science of Service Systems," published by the IEEE Computer Society, Jan 2007, 71-77.

Services Science, entire special issue of the *Communications of the ACM Journal,* July 2006. A collection of articles written by authors from multiple disciplines, focused on the emerging discipline of Service Science.

CHAPTER TOPICS

- What are Services?
- Why Service Marketing?
- Service and Technology
- Characteristics of Services
- Service Marketing Mix
- Staying Focused on the Customer
- Technology Spotlight: *The Changing Face of Customer Service*
- Global Feature: *The Migration of Service Jobs*
- Strategy Insight: *Competing Strategically through Service*

CHAPTER OBJECTIVES

1. Explain what services are and identify important trends in services.

2. Explain the need for special service marketing concepts and practices and why the need has developed and is accelerating.

3. Explore the profound impact of technology on service.

4. Outline the basic differences between goods and services and the resulting challenges and opportunities for service businesses.

5. Introduce the expanded marketing mix for services and the philosophy of customer focus as powerful frameworks and themes that are fundamental to the rest of the text.

LECTURE TIPS & AIDS

1. The activity suggested here must be made at least one class period prior to the related in-class discussion (it works best if it is done at the end of the first class meeting or very early in the course). Ask the students to be "detectives" in their courses for the first few class meetings. They should attempt to identify some of the "clues" they are using to assess the quality of each class they have signed up for and be ready to discuss these in class. On the day of the in-class discussion, students can break into small groups to discuss their observations for about 10-15 minutes. They should attempt to separate their "clues" into "tangible" and "intangible" categories. (These may need to be defined briefly if this assignment is made on the first day of class.)

   After the groups meet, the instructor can start a discussion with the whole class by putting "Intangible" and "Tangible" headings on the board and asking people to share what their groups put in each list. Students will come up with lots of items for both lists. Their suggestions should lead to an interesting discussion of how the intangible/tangible dimensions interact (e.g., while an instructor's voice may be tangible because it can be heard, what is inferred from the voice—enthusiasm, sternness, etc.—is more intangible). A fun twist on this exercise is for the instructor to purposely wear very different clothing for the class periods leading up to this discussion (e.g., professional dress vs. casual attire).

Students can then be asked what impressions they have of the instructor and what impact the clothing had on their reactions.

2. To introduce the topic of "goods vs. services," the instructor divides the class into small groups (3-5 people) and gives each group a list of products, including those that are "mostly" goods, "mostly" services, and "a combination of both." The sample lists below are from Dawn Iacobucci (1992). "An Empirical Examination of Some Basic Tenets in Services: Goods-Services Continua" In *Advances in Services Marketing and Management.* JAI Press. 1: 23-52.

List 1	List 2	List 3
Blue Jeans	Business Suit	Appendix Operation
Car	Casual Clothing	Car Brake Relining
Dental Examination	Condo	Dress Shoes
Meal at Nice Restaurant	Couch	Eyeglasses
Golf Lessons	Day Care	Furniture
Haircut	Dishwasher	Greeting Card
Hotel Room	Dry Cleaning	Health Club Membership
Houseplant	Fast Food	Legal Representation
Ice Cream Cone	Flu Shot	Novel
Jewelry	House Cleaner	Psychotherapy
Laundry Detergent	Life Insurance	Rental Car
"Lean Cuisine" Dinner	Plumbing Repairs	Soft Drink
Running Shoes	Poster Framing	Tailored Clothing
TV Repair	Socks	Typing Service
Vacation Package	Tax Consultant	Xeroxing/Copying

Each group is to rank its list in terms of goods/services, starting with the product that is the best example of a "good" at the top and ending with the product that is the best example of a "service" at the bottom. Alternatively (or additionally) groups can rank their list in terms of the tangible/intangible continuum (starting with "most tangible" at the far left of the continuum and ending with "most intangible" at the far right of the continuum). This task should take approximately 15 minutes.

A member of each group then writes its rankings on the board or on an overhead. If more than one group has the same list, these groups should record their rankings side-by-side. The following questions can be asked during a whole class discussion to bring closure to the exercise:

- What do the products at the top of the list (or the left of the continuum) have in common?
- What do the products at the bottom (or the right of the continuum) have in common?
- What do the products in the middle have in common?

Students can also be asked about any difficulties that arose in ranking the products. It is likely they will point out that many products have elements of both goods and services (or tangibility and intangibility). This discussion would be a good lead-in to the concept of core and supplementary benefits.

<u>**QUESTIONS TO USE WITH CHAPTER OPENING VIGNETTE**</u>

Chapter 1: All Businesses are Service Businesses

1. Discuss the meaning of the statement, "all businesses are service businesses." Can you think of any exceptions? If so, justify your position.

2. What are some ways in which consumer product companies such as Apple and Samsung are also service providers?

3. What are some other industries that are likely to experience the rise of disruptive collaborative service such as those exemplified by Uber and Airbnb? Why?

<u>**ACTIVE LEARNING ACTIVITIES**</u>

1. After students have received the syllabus for your class (but before it has been discussed), you can have them analyze it for tangible/intangible clues about the service delivery. By working in pairs for about 10 minutes, students should come up with a good list of clues. Then the instructor can initiate a whole class discussion by asking the following questions:

   - What things did you notice about the syllabus?
   - How does it differ from syllabi you have received in other classes?
   - How is it similar?
   - What do you think it tells you about this course or the instructor?
   - What interests you in the syllabus? What worries you?

   This exercise is an excellent way to do two tasks at once. It allows the instructor to reinforce the important information in the syllabus in a way that gets students actively involved, and the discussion can be a nice introduction to some of the basic service marketing concepts in Chapter 1. (Eight different syllabi are provided as examples in Section 2 of this instructor's manual.)

   Student comments about the syllabus might include: "easy to follow layout;" "lots of ways to reach the instructor–even email!;" "many different ways to show that you understand the material;" "only two exams!;" "attendance is important" (this can lead to a discussion of creating a "class culture" over the semester which will only happen if people are in class most of the time); or "good performance is rewarded."

   If you are so inclined, you might have students identify the "House Rules" for the course which can then be added to the syllabus. Examples might include:

   - Please treat others like you would like to be treated!
   - Don't talk while people are presenting or asking questions.
   - Respect everyone's opinion.
   - Come to class prepared and participate in class discussions.
   - No note passing or chair rambling.
   - If you come late to class and a presentation has already begun, please wait outside.
   - Don't pack up your stuff until class is dismissed.
   - Leave the classroom as clean (or preferably cleaner) than you found it.

   Allowing students to set House Rules helps them take ownership of the class very early in the term.

2. Find an advertisement for a product in one of the major categories on the Continuum of Evaluation (i.e., high in search qualities, high in experience qualities, and high in credence qualities). Write a short paper explaining where you think the product falls on the Continuum and why. You should also discuss the ways the ad either capitalizes on the predominant qualities of the product (e.g., search characteristics) or attempts to overcome them in some way. Include the ad (or a copy) with your paper.

[Note: A good example comes from the ad campaigns for milk. Milk is a very tangible product that is high in search attributes. Rather than stressing the tangible aspects, though, the advertisers decided to try to build on intangibles like glamour, fame, and fitness with their ads that show famous sports heroes, models, TV celebrities, etc. with milk mustaches. By contrast, ads for credit card companies (whose products are much more in the experience/credence realm) tend to show pictures of things customers can buy or experience through the use of a credit card. These companies are interested in providing consumers with tangibles that can be associated with their products.]

DISCUSSION QUESTIONS

1. *What distinguishes service offerings from customer service? Provide specific examples.*

   Service offerings are intangible products offered for sale to customers. These can be services sold to business customers (e.g., consulting services, shipping services, maintenance services) or to end consumers (e.g., restaurant services, transportation, health care). Service offerings can be sold by traditional service companies (e.g., Bank of America) as well as manufacturers (e.g., IBM). A company does not need to be a "service company" in the traditional sense to sell services.

   Customer service can also be offered by service, IT and manufacturing businesses. It is service provided in support of a company's core products, whether these core products are services or goods. Customer service includes things like answering questions, billing, handling complaints, taking orders, etc. There is typically no charge for customer service.

   It is important to distinguish between these two types of service for several reasons. First, there is a tendency in service marketing and management courses to become overly focused on customer service. Some people even believe that is the entire focus of the field. Needless to say, it is not. Second, it is important for students to realize early on that service marketing and management issues and strategies are relevant for all types of businesses—service, manufacturing, and IT. All businesses are service businesses in some form.

2. *How is technology changing the nature of customer service and service offerings?*

   This question focuses on the major section of chapter 1 titled "Service and Technology" and its several sub-sections: Technology-Based Service Offerings; New Ways to Deliver Services; Enabling Both Customers and Employees; Extending the Global Reach of Services; The Internet Is A Service; The Paradoxes and Dark Side of Technology and Service. The instructor could focus in depth on a discussion of one or two of these sub-topics or choose to center the discussion more broadly on the wide range of impacts that technology is having on service. The Technology Spotlight on the "Changing Face of Customer Service" can also incorporated into the discussion. Since this discussion will no doubt take place right at the beginning of the course, this would be a good time to point out that each chapter of the book has a relevant Technology Spotlight to show how technology is having an impact on the particular focus of each chapter. This important topic is a theme running throughout the text.

3. *What are the basic characteristics of services compared with goods? What are the implications of these characteristics for Marriott or General Electric?*

Discussion of the basic differences between goods and services can be rather abstract without a specific context to focus in on. The opening vignette can provide examples. For undergraduates, discussing one of these companies or a local consumer service that they are familiar with may provide a more manageable context. Alternatively, students can be broken into small groups to discuss the implications of the differences for a specific assigned service or they can be allowed to pick a service company that one of them has worked for as a context.

The types of questions to be addressed within the specific context could include: What are the challenges in marketing a service like this? Why is it different from marketing a consumer product like beer, shampoo, or a car? Discuss each of the basic differences (intangibility, heterogeneity, simultaneous production and consumption, and perishability) in the context of this particular service. What are the implications?

4. *One of the underlying frameworks for the text is the service marketing mix. Discuss why each of the three new mix elements (process, people, and physical evidence) is included. How might each of these communicate with or help to satisfy an organization's customers?*

The instructor should focus on making sure the students have a clear understanding of each of the three new P's. This can be accomplished through general discussion and by asking students for examples of how each of the elements has influenced them as consumers in specific contexts.

5. *Think of a service job you have had or currently have. How effective, in your opinion, was or is the organization in managing the elements of the service marketing mix?*

This discussion question can focus on making sure the students have a clear understanding of the three new P's. Having them relate the material to a job they have held gives them a concrete context for understanding the new P's.

To allow all students a chance to share their examples, the instructor can begin with a general discussion of the 7 P's. Then the class can break into small groups to discuss how the new P's apply to their jobs. To keep the groups focused on the relevant discussion, two methods of "accountability" could be used. If the class is small enough, each group could report one of their examples to the larger group. Alternatively, each group could turn in a summary sheet describing their examples.

6. *Again, think of a service job you have had or currently have. How did or does the organization handle relevant challenges listed in Table 1.1?*

This question could be used instead of Question 3 to focus students on the basic differences between goods and services. A general overview of the differences could be provided, with students bringing in their specific examples to make the abstract differences more concrete.

7. *How can quality service be used in a manufacturing context for competitive advantage? Think of your answer to this question in the context of automobiles or computers or some other manufactured product you have actually purchased.*

The purpose of this question is to get students to focus on the relevance of service for competitive strategy in all types of businesses. When they can see the importance of service in their personal lives, they begin to see how and why manufacturing firms need to focus on the service components of their

offerings. When there are engineers or high-tech people in the class, this can be a particularly good way to motivate them to see the value of service in their industries.

Another way to use this question is as a lead-in to a lecture on current service strategies of such companies as IBM and Ford Motor Company, using current periodicals. A guest speaker from a service-oriented manufacturer is also a good follow-up to this question.

8. *Where does a college education fit on the continuum of evaluation for different types of products? Where does computer software fit? Consulting? Retailing? Fast food? What are the implications for consumer behavior?*

A college education fits far to the right (close to the "difficult to evaluate" end of the continuum). Computer software fits in the middle, since there are technically some physically tangible aspects of software. Consulting fits far to the right, since it is almost entirely intangible. Retailing fits in the middle; in retailing there are the physical products that customers buy from the retailer, who provides accompanying services such as assorting, credit, display, and branding. Fast food is also in the middle, with the food itself being tangible and such services as convenience, speed, and cleanliness being the intangible components.

9. *What are examples (other than those given in the chapter) of services that are high in credence properties? How do high credence properties affect consumer behavior for these services?*

Services high in credence properties include all those that are technical and difficult for novices to evaluate. Automobile repair, higher education, consulting, medical services, legal services, engineering, architecture and scientific services all qualify. A good way to decide whether a service is high in credence properties is to ask whether those who use it must be experts (e.g., a lawyer for legal services) in order to evaluate it.

POTENTIAL VIDEO CLIPS TO USE IN ILLUSTRATING CHAPTER 1 CONCEPTS

- "Dumb and Dumber" – At the very beginning of the movie, a chauffeur (Jim Carey) picks up a woman and takes her to the airport, narrowly missing accidents along the way (he seems to fall in love). The woman leaves a briefcase at the airport and the chauffeur runs in to pick up briefcase and hustles to the gate to try to get it back to her (and thus provide "good service").

- "Father of the Bride" – In this movie, the parents of a bride-to-be have discussions about planning a wedding. In one scene early in the movie, the family is sitting around the dinner table discussing the options for a wedding and reception. Then, the father George Banks (Steve Martin) and mother (Diane Keaton) discuss reasons for hiring a wedding coordinator. The father eventually agrees to join the mother and daughter in meeting with the wedding coordinator (Martin Short). This clip could be used to illustrate the characteristics of service, as well as the three additional Ps of service (people, process, and physical evidence).

POSSIBLE WEB SITES FOR CHAPTER 1

Company	Location
Amazon.com	www.amazon.com
American Customer Satisfaction Index	www.theacsi.org
Center for Service Leadership, ASU	www.cob.asu.edu/csl
Charles Schwab & Company	www.schwab.com
Cisco Systems	www.cisco.com
EBay	www.eBay.com
FedEx Corporation	www.fedex.com
General Electric Company	www.ge.com
IBM Global Services	www.ibm.com/services
Mayo Clinic	www.mayoclinic.com
Marriott International Inc.	www.marriotthotels.com
PetSmart	www.petsmart.com
Singapore Airlines	www.singaporeair.com
Southwest Airlines	www.southwest.com
Williams Sonoma	www.williams-sonoma.com
Zane's Cycles	www.zanes.com

APPROPRIATE CASES FOR CHAPTER 1

From previous Zeithaml, Bitner, and Gremler *Services Marketing* texts:

- Zappos.com 2009: Clothing, Customer Service, and Company Culture [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) Services Marketing: Integrating Customer Focus Across the Firm, New York, NY: McGraw-Hill Companies]

- Michelin Fleet Solutions: From Selling Tires to Selling Kilometers [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) Services Marketing: Integrating Customer Focus Across the Firm, New York, NY: McGraw-Hill Companies]

- People, Service, and Profit at Jyske Bank [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) Services Marketing: Integrating Customer Focus Across the Firm, New York, NY: McGraw-Hill Companies]

- easyCar.com [included in the fourth edition of this text: Zeithaml, Bitner, and Gremler (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]

- General Electric Medical Systems [included in the fourth edition of this text: Zeithaml, Bitner, and Gremler (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]

- Starbucks: Delivering Customer Service [included in the fourth edition of this text: Zeithaml, Bitner, and Gremler (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]

- Virgin Atlantic Airways [included in the third edition of this text: Zeithaml and Bitner (2003) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]

- Northwest Airlines and the Detroit Snowstorm [included in the third edition of this text: Zeithaml and Bitner (2003) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]

- Chartered Bank of Canada [included in the first edition of this text: Zeithaml and Bitner (1996) *Services Marketing*, New York, NY: McGraw-Hill Companies]

From other sources:

- Alaska Airlines: For the Same Price, You Just Get More... [Harvard Business School Case, 9-800-004, 2000]

- Efteling: Growing a Miracle on Fairy Tales, by Rik Pieters and Paul Driessen, Tilburg University, Tilburg, The Netherlands, a CD Rom Case, 2000. [Contact: f.g.m.pieters@kub.nl; p.h.driessen@kub.nl.]

- Four Seasons Hotels and Resorts [Harvard Business School Case 9-800-385, 2000]

- PeopleSoft (1996), available through ITSMA [Information Technology Services Marketing association, One Militia Drive, Suite 4, Lexington, MA; (781) 862-8500]